

FISCAL NOTE

SB 25 SECOND EXTRAORDINARY SESSION

November 8, 1999

SUMMARY OF BILL: Imposes an additional one percent (1%) tax on all health insurance company premium income except from those that sponsor a TennCare MCO which represents twenty-five percent of their enrollment or at least 200,000 lives. Imposes an additional one percent (1%) premium tax on all health maintenance organizations except those that sponsor a TennCare MCO representing at least forty percent of their enrollment or at least 50,000 lives.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$26,870,000

Increase State Expenditures - Not Significant

Estimate is based on total annual health insurance and HMO premiums of \$2,687,000,000. Assumes that any increased expenditure to implement the provisions of the bill will not be significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director